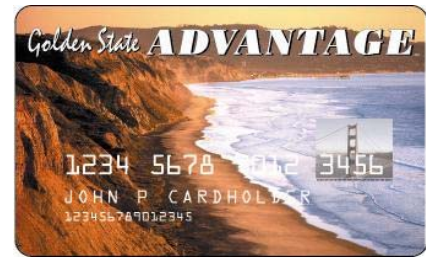




Golden State Advantage Bulletin

ELECTRONIC BENEFIT TRANSFER (EBT) PROJECT



July 2004

Web site: www.ebtproject.ca.gov
E-mail: ebtoperations@sid.hhsdc.ca.gov

IMPLEMENTATION UPDATE

On July 1, 2004, EBT became available for all California clients. With the implementation of Amador, Calaveras, Lake, Mendocino, Placer, and Tuolumne Counties joining the other 50 counties, we have completed implementation in 56 counties!

The Implementation Team members would like to thank each of you for your support and expertise, and for allowing the team to assist in your EBT implementation process. The Implementation Team spent many hours as members of your County teams, and the warm welcome and team spirit helped us all achieve an outstanding and extremely successful implementation.

Most of the Implementation Team members have now moved on to support other projects. A handful of the Implementation staff remain to assist San Diego and San Bernardino Counties in their transition from their current EBT vendor to the statewide vendor, JPMorgan EFS, which is scheduled for Spring of 2005.

Congratulations to all county staff for making EBT a success in your county! Who knows, maybe you will see Implementation staff in your county to assist in future state projects.

EBT BULLETIN

We had reported that the EBT Bulletin would be published on a quarterly basis until San Bernardino County and San Diego County migrations were completed. It has been decided that this will be the final EBT Bulletin. EBT Project information will be posted to the EBT website or communicated to the counties in an Information Update.

EBT STATISTICS—JUNE 2004

These statistics are based on 50 counties live on the EBT system for June 2004:

- ♦ 767,239 food stamp benefits were deposited totaling approximately \$151.6 million.
- ♦ There were 5,835,028 approved food stamp transactions in which clients redeemed approximately \$147.8 million in benefits.
- ♦ Food stamps were redeemed at 22,515 retail locations.
- ♦ 479,001 cash benefits were deposited totaling approximately \$201.4 million.
- ♦ There were 1,718,929 approved cash transactions in which clients redeemed approximately \$201.4 million in benefits.
- ♦ Clients accessed cash benefits at 16,040 POS locations and 25,109 different ATM locations.
- ♦ Average fees and surcharges paid per cash household were \$1.80.
- ♦ 43.5 percent of all ATM transactions were at surcharge-free locations.
- ♦ 46.5 percent of cash benefits were withdrawn at surcharge-free ATMs.
- ♦ 42.2 percent of cash benefits were withdrawn at POS locations.
- ♦ Clients made 2,383,953 calls to the Customer Service ARU. 49,693 client calls were handled by Customer Service Representatives.
- ♦ 26,717 clients changed their PIN through the ARU.

UPDATE ON CASH COUNTIES

Currently 51 counties have elected to use the EBT card for cash benefits. At this time, the following counties have opted not to use the EBT card for cash benefits: Fresno, Humboldt, Mono, Placer, Plumas, Sierra, and Tehama.

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Question:

What do Dollar Tree, Payless Shoesource, Mervyn's and the US Post Office all have in common?

Answer:

They all accept the California EBT card!

When states began implementing EBT for cash benefits, access was somewhat limited. The EBT card could be used at a limited number of participating ATMs and at food stores that already accepted the card for Food Stamps. Over the years, a few non-food stores slowly began accepting EBT.

California saw a larger potential for cash EBT and began promoting acceptance of EBT cards for cash purchases at a wider range of retail outlets. The vision was to have EBT cards accepted as widely as other bank debit cards. The EBT Project worked with the EBT Council, payment processors, and the California Retailers Association to promote EBT as a new payment option for stores. Now that EBT implementation is completed statewide, we are very pleased with the growth in cash access. The widespread acceptance of the California EBT card gives cardholders many options and allows them to safely and securely manage their money in their EBT account.

Without ever going to an ATM, the EBT card can be used to pay for clothes, shoes, household cleaners, paper products, diapers, school supplies, toys, gasoline, prescriptions, postage, bus passes, and money orders. Of course, there are also more than 25,000 ATMs statewide where the card is accepted.

Many California merchants accept the EBT card for cash purchases. The following is a short list of merchants who participate. Some merchants also give cash back. Every month more merchants begin accepting EBT. If a sign is not posted, it never hurts to ask or just try the card.

7-Eleven
99 Cents Only
BestPrice! Clothing
BestPrice! Kids
Circle K
Dollar Tree
Factory 2-U
Kentucky Fried Chicken
K-Mart
Mervyn's
OnePrice and More
Payless Shoesource
Save-on Drugstores
Smart and Final
Target
US Post Office
Walgreens
Wal-Mart

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California Department of Social Services (CDSS) released the following press release on July 1, 2004.

THE 4TH OF JULY WEEKEND BRINGS ELECTRONIC BENEFIT TRANSFER (EBT) PROJECT TO COMPLETION

SACRAMENTO – It has become much easier for recipients of food stamps to purchase groceries in California. Thursday, July 1st, marks the day in which the last of California's 58 counties (Amador, Calaveras, Lake, Mendocino, Placer and Tuolumne) will implement the Electronic Benefit Transfer (EBT) system. The EBT system eliminates traditional paper food stamp coupons and replaces them with a reusable ATM-type debit card, which will make day-to-day shopping transactions much more efficient and convenient.

"The EBT system is easy to use and efficient," said Kim Belshé, secretary of the California Health and Human Services Agency. "We expect the EBT system to facilitate the enrollment of eligible Californians into the Food Stamp Program because the system helps remove the stigma often associated with using paper food stamp coupons. Additionally, the EBT system is more user-friendly, promotes self-sufficiency and reduces the chances of fraud."

Recipients can use the EBT card to purchase groceries and, in 51 California counties, obtain cash aid. For those receiving cash aid, the EBT card can be used in a number of department stores (e.g., Target, Kmart, Wal-Mart and Mervyn's) and, in some counties, including Alameda, Los Angeles and Sacramento, at farmers markets. Furthermore, the United States Postal Service is now accepting the EBT card statewide, allowing cash aid recipients to purchase money orders, stamps and other postal products.

The driving force behind the EBT Project is federal welfare reform, which mandates the replacement of paper food stamp coupons with EBT technology. With the continued guidance and close cooperation of the United States Department of Agriculture (USDA), California was able to accelerate the completion of its EBT system, fulfilling the goal of nationwide implementation.

"The USDA congratulates California on the full implementation of its statewide EBT system," said Allen Ng, western regional administrator for the USDA's Food and Nutrition Service. "California successfully converted the largest number of retailers and recipients ahead of schedule and with good stewardship of state and federal funds. We are proud of our relationship with California and look forward to working with them on future initiatives."

California has approximately 700,000 households receiving food stamps. About 16,400 retailers and 25,000 ATMs participate in the EBT system statewide.

The Food Stamp Program is a federally funded program that helps low-income households purchase foods needed for good health. Food stamps allow families to buy healthy foods, such as fruits and vegetables, to help them maintain good nutrition year round.